Employee Income Tax Withholding

FIACCT 11-01.00

Effective: 01-Oct-90

Revised: 01-Jul-05

Purpose

This policy defines the policies and procedures for withholding employee income taxes and submitting the Employee Withholding Allowance Certificate, form W-4.

Policy

A. The Division of Finance Payroll Section will withhold employee payroll-related taxes on United States citizens and nonresident aliens in accordance with the rules published by the Internal Revenue Service (IRS) and by state and local taxing authorities.

B. Each employee must have a valid Employee's Withholding Allowance Certificate; Form W-4, on file with the Division of Finance Payroll Section.

C. Agencies will notify their employees of the withholding rules and review each Employee's Withholding Allowance Certificate, form W-4, for validity before sending it to the Division of Finance Payroll Section. It must meet the following criteria or it will not be accepted.

- The form must be unaltered
- Name and Social Security Number (SSN) must match the Social Security card
- The form must be signed by the employee and dated.

D. The Division of Finance Payroll Section will enter changes to employee withholding information on the Payroll System. Changes to employee tax withholding will be allowed for the following reasons:

- Change in number of withholding allowances
- Change in marital status
- Change of name with the Social Security Administration

Changes made to employee withholding allowances will be made on the Payroll System no later than the third (3rd) payday following receipt of the Employee's Withholding Allowance Certificate, form W-4, at the Division of Finance Payroll Section.

E. Current employees may enter W-4 changes on the Internet Employee Self Service application providing they:

- Have a state e-mail address
- Have a LAN password

F. New employees or rehired employees must file an Employee's Withholding Allowance Certificate, form W-4. Agencies should enter this information on the HR Enterprise System. The original form must be submitted to the Division of Finance Payroll Section with a copy of the employee’s Social Security card.

G. The agency will set up a new employee as single with zero allowances if he/she refuses to complete and sign an Employee's Withholding Allowance Certificate, form W-4. The agency will submit an Employee's Withholding Allowance Certificate; Form W-4, to the Division of Finance Payroll Section indicating the employee has refused to complete it.

H. Employees filing as exempt from withholding according to IRS rules must submit a new, original Employee's Withholding Allowance Certificate, Form W-4, by February 15 of each calendar year. Failure to do so will result in employee income taxes being withheld as if the employee were single with zero (0) allowances.

I. The Division of Finance Payroll Section will provide agencies with information on current withholding rules to encourage employee understanding and compliance with state and IRS withholding regulations.

J. Additional state tax may be withheld if the employee submits a completed Authorization For Voluntary Additional State Income Tax Withholding; Form FI 41.

K. The employee is responsible to verify that requested changes and/or additional withholding have been made on the payroll check. Any discrepancies should be brought to the immediate attention of the agency payroll technician.

Background

The State, as an employer, is required by law to withhold federal and state taxes from employees’ pay in accordance with established rules and regulations.
The agency may obtain Employee's Withholding Allowance Certificate; Form W-4, using InForms.

Procedures

Responsibility	Action
Employee	1. Use the worksheet on the Employee's Withholding Allowance Certificate, form W-4, to calculate the number of allowances to be claimed. 2. Submit a complete and valid Employee's Withholding Allowance Certificate, form W-4, to the agency payroll/personnel technician. **OR** Log onto the Internet Employee Self Service and use the W-4 application to make changes to marital status and/or number of allowances. ***NOTE****: As of 1989, the IRS may charge penalties if income tax due for the year exceeds the amount of tax withheld by $500.*

Agency

1. Review the Employee's Withholding Allowance Certificate, form W-4, for valid information. Indicate on the back of the form:
   - *NH* for a new hire
   - *CH* for change of information
2. Submit valid forms to the Division of Finance Payroll Section.
3. Return invalid forms to the employee with reason(s) for refusal.
4. For a new employee or rehired employee, enter the valid information from the Employee's Withholding Allowance Certificate, form W-4, on the HR Enterprise System. Detach the worksheet. Submit the Employee's Withholding Allowance Certificate, form W-4, with an attached copy of the employee's Social Security card to the Division of Finance Payroll Section.
5. For an existing employee, detach the worksheet; then submit the Employee's Withholding Allowance Certificate, form W-4, to the Division of Finance Payroll Section for data entry.
6. Prevent underwithholding of income taxes by requiring nonresident aliens to complete the Employee's Withholding Allowance Certificate, form W-4, using the following guidelines:
   - Do not claim exemption from income tax withholding.
   - Request withholding as if the employee is single, regardless of his marital status.
   - Claim only one allowance (not applicable for residents of Canada, Mexico, Japan, or Korea).
   - Request an additional income tax withholding amount $15.30 per pay period.

*NOTE****: At the end of this policy section is a reference which may be photocopied and given to the employee.***

Division of Finance

1. Verify that an original Employee's Withholding Allowance Certificate, form W-4, is received for every new employee.
2. Enter W-4 information on the Payroll System for:
   - All changes for existing employees
3. Maintain a file containing all Employees’ Withholding Allowance Certificates, and Form W-4.

Why Must I Complete a Form W-4?

- The IRS Form W-4 is used to determine the amount of income tax withheld from your pay.
- If you fail to submit a valid Form W-4, we are required by the IRS to withhold tax from your pay at the highest rate. (Single and claiming no withholding allowances)

What Makes a Form W-4 Valid?

- Your name and Social Security Number appear exactly as they are on your Social Security card. Newly hired employees should show a Social Security card. A copy of the card will be attached to their W-4 as proof of verification.
- The form is unaltered. Any unauthorized change or addition to the W-4 form makes it invalid.
- The form is signed.
- No indication of false information.
- If we have a valid W-4 on file and you submit an invalid form, we will withhold according to the most recent valid form on file.

How Can I Be Sure the Correct Amount of Tax Is Withheld?

- Follow the instructions attached to the Form W-4 carefully.
- Refer to IRS Publication 919 to compare the amount of tax you are having withheld to your estimated annual tax.
- Consult with your agency's payroll technician to get an estimate of the amount of tax that will be withheld based on your estimated taxable earnings and number of allowances claimed. Although such estimates may be helpful, they must NOT be considered or relied upon as tax advice.
- Contact your Tax Accountant or Attorney for tax advice.

It is in your best interest to complete the W-4 form properly. Remember, IRS may charge a penalty for under payment of withheld taxes if your tax liability is $500 greater than the amount of tax you have withheld.

When Should I Submit a W-4?

- When you are first hired. All new hires must submit a W-4.
- When your name as it appears on your Social Security card changes.
- When your marital status changes.
- When your number of withholding allowances changes.
- When you claim exempt from withholding. Must be submitted by February 15 of each calendar year.

Changing W-4 information for any other reason is not proper.
In compliance with IRS rules we will begin withholding according to the new W-4 no later than the third payday after the date the form is received in the state's central payroll office.

What About State Tax Withholding?

- Information on the Form W-4 is also used to withhold state taxes.
- More state tax may be withheld by filing an Authorization For Voluntary Additional State Income Tax Withholding Form (FI 41).

Utah Income Tax Withholding - Authorization Form FI 41

FIACCT 11-02.00

Effective: 01-Oct-90

Revised: 04-Oct-04

Purpose

This policy provides instructions for an employee to request, change, or cancel additional Utah State income tax withholdings from his pay.

Policy

A. Employees may request additional Utah State income taxes be withheld from their payroll warrants.

B. A completed, original Authorization for Voluntary Additional Utah Income Tax Withholding, Form FI 41, may be submitted to the Division of Finance Payroll Section for:

- Requesting additional withholdings
- Changing current amounts of additional withholdings
- Canceling any current amounts of additional withholdings

Form FI 41 is available on the Division of Finance Web site at http://www.finance.utah.gov/forms.

C. The Division of Finance Payroll Section may enter new requests, changes, and/or cancellations of additional Utah State income tax withholdings.

Changes made to employee additional Utah State income tax withholdings will be made on the Payroll System no later than the third (3rd) payday following receipt of the Authorization for Voluntary Additional Utah State Income Tax Withholding, Form FI 41, at the Division of Finance Payroll Section.

D. The employee is responsible to verify that the requested changes have been made on the payroll warrant. Any discrepancies should be brought to the immediate attention of the agency payroll/personnel technician.

Procedures

Responsibility	Action
Employee	1. Complete the Authorization for Voluntary Additional Utah Income Tax Withholding, Form FI 41. 2. Complete and submit the form to the Division of Finance, Payroll Section.
Division of Finance	Enter new or changed information from the employee's Voluntary Additional Utah Income Tax Withholding, Form FI 41, on the Payroll System.

Instructions for Entry

Field	Description
Check One:	***New*** – Check this box to indicate an initial request for additional Utah State income tax withholding. ***Change*** – Check this box to indicate a change in the current amount of additional Utah State income taxes being withheld. ***Cancel*** – Check this box to indicate a request to cancel the current amount of additional Utah State income taxes being withheld.
Print or Type	
Last Name, First Name, Initial	Enter the employee's full name as it appears on the payroll warrant.
Social Security Number	Enter the employee's Social Security Number.
$	Enter the amount of additional Utah State income taxes to be withheld from the employee's payroll warrant.
Signature	The employee should sign the form.
Date	Enter the date the form is completed.

PayBreeze!TM Software - How to Use

FIACCT 11-03.00

Effective: 01-Aug-90

Revised: 16-Mar-98

Purpose

This policy outlines the policies and procedures for using the PayBreeze! ™ software.

PayBreeze! ™ is a software program that allows a user to calculate net pay, based on specific earnings and deduction information. It also is capable of preparing a report that will show the federal and state (W-2) withholding for the current year, based on the different number of allowances claimed on the W-4.

Policy

A. These programs are informational only and are not to be used for counseling an employee on the number of allowances to claim.

Employees should be notified that they are responsible for the marital status and number of allowances they claim on their W-4 forms. The State provides information, not tax advice.

B. The Division of Finance has paid for nineteen (19) site licenses, which allow the PayBreeze! ™ software to be copied multiple times for use at any of the following nineteen locations:

Alcoholic Beverage Control Bldg.
Agriculture Building
Auerbachs Bldg., 324 S State
Calvin Rampton Building
Corrections Building
Courts Building
Eaton Towers
Education Building
Environmental Quality Building
Health Building
Heber Wells Building
Human Services Building
Natural Resources Building
Ogden Regional Center
Provo Regional Center
State Capitol Building
State Office Building
Tax Commission Building
Work Force Services

C. Departments are allowed to make as many copies of the PayBreeze! ™ software as they desire, as long as the copies remain at the locations listed above.

D. Departments are allowed to install PayBreeze! ™ on local area networks, as long as access is restricted to machines in the building.

E. Additional site licenses may be obtained by interested departments directly from the vendor. For vendor information, contact the Division of Finance Payroll Section.

F. The Division of Finance will distribute one copy of the PayBreeze! ™ software to all departments at each building.

G. The Division of Finance will distribute any updates to the PayBreeze! ™ programs, as they become available, to those departments which have received copies of the software.

Background

PayBreeze! ™ contains two programs:

1. **Net Pay Calculation** – Allows a user to enter on a screen payroll, tax, and deduction information for a specific employee. The program then calculates the net pay amount the employee will receive.

   This is useful for answering employee questions about what their net pay will be, based on certain deductions taken, their earnings, and current tax withholding rates.

   Gross Up Calculation – Allows the user to enter on a screen payroll, tax, deduction, and net pay information for a specific employee. The program then calculates the gross amount the employee must earn.

   This is useful for giving the employee the gross amount to be earned in order to have a net pay of a specific dollar amount.

2. **W-4 Withholding Calculation** – Calculates total federal and state (W-2) withholding for the year, based on earnings information and on the number of allowances claimed by the employee.

   This is useful for answering employee questions such as, "What if I changed my W-4 allowances to this; what will be my withholding for the year?"

On-line Access

The PayBreeze! ™ programs are accessed by completing the following step:

1. Open the PayBreeze! ™ program.
   - PayBreeze!™ (for the net pay calculation) or
   - W4 (for the yearly withholding calculation).

   Once you have accessed the PayBreeze! ™ program desired, use the *Tab* key to move to the various fields. It may be helpful for the novice user to turn on *Prompts* and *Autolists* under the Settings option. When the cursor is placed in a field, a program prompt will display on the screen. This prompt will be in a box which gives any formats or data which may be entered in the field. The autolists will bring a drop down list box of choices to select from for that field. The user can either click on the desired choice or type in the first few characters of the selection.

   ***NOTE**: Click the HELP feature then select the Visual Guide to PayBreeze if you need specific instructions.*

Miscellaneous Entry Items

Following is a list of items that require special entry consideration on the PayBreeze! ™ programs.

PayBreeze! ™ Check Calculator Program

401(k)/403(b) Plan	Enter the percentage or specified dollar amount deducted each pay period.

125/Cafeteria Plan	Enter all non-taxable deductions from employee wages (per pay period), except 401K and 457, as a lump sum. These items have an asterisk next to them on the payroll check stub. **Example**: ◆ Medical premiums ◆ Dental premiums ◆ Flexible benefits
Non Taxable Reimbursements	Enter these on the check calculator screen as **negative** amounts in the Other Deductions field. **Example**: ◆ Mileage reimbursements ◆ Flexible benefits reimbursements

PayBreeze! ™ W-4 Program

Pay date	Enter the actual check date, not the pay period end date. ***Warning***: If the user puts in a pay period end date the calculation will be incorrect because PayBreeze! ™ will think there is an extra payday during the year.
401(k)/403(b) Plan	Enter the percentage or specified dollar amount deducted each pay period.
125/Pre-Tax Plan	Enter all non-taxable deductions from employee wages (per pay period), except 401K and 457, as a lump sum. These items have an asterisk next to them on the payroll check stub. **Example**: ◆ Medical premiums ◆ Dental premiums ◆ Flexible benefits deduction

Time Sheet Requirements

FIACCT 11-04.00

Effective: 07-Oct-02

Revised:

Purpose

This policy defines the minimum requirements for time sheets used by state employees.

Background

Department of Human Resource Management (DHRM) rules require the following:

A. **FLSA non-exempt employees** must complete and sign a state approved biweekly time sheet. Time sheets developed by the agency shall have the same elements as the state approved time sheet and be approved by the Department of Administrative Services, Division of Finance.

B. **FLSA exempt employees** who work more than 80 hours in a work period must record their total hours worked, and/or the compensatory time used on their biweekly time sheet. All hours must be recorded in order to claim overtime. Completion of the time sheet is at agency discretion when no overtime is worked during the work period.

Policy

All time sheets must include, at minimum, the following information:

- Employee Name
- Employee Identification Number (EIN)
- Pay Period End Date
- Daily Record of Time Worked
- Daily Record of Leave Used
- Employee Signature and Date
- Supervisor Signature and Date
- The following statements must be located adjacent to the employee signature:
  - Hours worked are defined by federal and state law. (See State DHRM rules for FLSA time reporting requirements).
  - By signing this time sheet, I verify that the above reported hours worked and leave used are accurate for this pay period.

Social Security Card Verification

FIACCT 11-05.00

Effective: 01-Nov-90

Revised: 05-Apr-99

Purpose

This policy outlines the responsibilities and procedures regarding verification of employee name and Social Security Number as shown on employee's Social Security card.

Policy

A. Agency personnel should verify that all employee Social Security Numbers and names entered on the HR Enterprise System are exactly the same as shown on the employee's Social Security card.

B. This policy applies to all State of Utah employees.

C. If IRS penalties are assessed to the State for employees whose names and/or Social Security Numbers are incorrect, they will be charged to the employee's agency. Penalty amounts are per occurrence per calendar year. The IRS penalty schedule ranges from fifteen ($15.00) dollars to fifty ($50.00) dollars.

D. The Division of Finance recommends that copies of the Social Security card be used when entering employee information into the HR Enterprise System. This protects the agency against incorrect information input to the HR Enterprise System.

E. A Receipt for Application for a Social Security Number may be used to verify a name if the employee does not have a Social Security card or if the employee is in the process of making a name change.

F. If a Receipt for Application for a Social Security Number is used to verify the name for new employees, a copy of the new Social Security card should be requested to verify the employee's name and Social Security Number have been entered correctly on the HR Enterprise System.

G. Errors should be corrected immediately in the HR Enterprise System.

H. Changes to employee names must be verified with either a copy of the Social Security card or Receipt for Application for a Social Security Number.

I. If the Social Security card states: "Not Valid for Employment" or "Valid for Employment with INS Authorization," the employee must also show an unexpired INS employment authorization form. Otherwise, the employee may be working illegally.

Background

Under IRS guidelines, employers who file W-2 forms on time but with incorrect information will be assessed penalties for employee W-2 forms with incorrect information. The amount of penalty is based on how soon a corrected return is filed (Internal Revenue Code Sec. 6721).

Procedures

Responsibility	Action
Employee	Provide agency personnel/payroll technician with a copy of a valid Social Security card. ***NOTE****: Employees who do not have a Social Security card or Receipt for Application for a Social Security Number should be directed to obtain one from the nearest Social Security Administration office.*
Agency	◆ Enter Social Security Number and name of employee into the HR Enterprise System exactly as they appear on the employee's Social Security card. ◆ For new employees and/or employees with name changes, attach a copy of the Social Security card or Receipt for Application for a Social Security Number to the W-4 sent to Division of Finance Payroll Section. ◆ Follow up with employees who have applied for a Social Security card, and obtain a copy of the card when it is available. Send a copy of the card to the Division of Finance Payroll section. ◆ If the Social Security card states: "Not valid for employment," or "Valid for work only with INS authorization," a copy of the INS authorization, visa, should be sent to the Division of Finance Payroll section. If the person does not have a valid INS work authorization, they should not be employed.
Employee	Verify that Social Security information is correct.
Agency	If any incorrect names are discovered, correct the name using the HR Enterprise System. If any incorrect Social Security Numbers are discovered, notify the Division of Finance Payroll section to make the correction.

Direct Deposit

FIACCT 11-06.00

Effective: 01-May-89

Revised: 01-Apr-02

Purpose

This policy provides policies and procedures for state employees who want their paycheck directly deposited to one or more bank(s), credit union(s), or investment firm(s), herein called financial institution(s).

Policy

A. All employees of the State of Utah are eligible to have their payroll warrants deposited directly to their financial institutions via electronic funds transfers.

B. The State can transmit the funds to most financial institutions (i.e., banks, credit unions, or investment firms).

C. Employees desiring to have their pay directly deposited must complete an Employee Authorization Agreement for Payroll Direct Deposits, Form FI 21, and attach the voided check or financial institution document(s) showing the routing and account numbers.

D. Employees must use a Main Checking Account in order to directly deposit. Employees may also directly deposit to a 2nd Checking Account, 1st Savings Account, and/or 2nd Savings Account. The Main Checking Account receives the balance of their pay (NET PAY) after all the other deductions and direct deposits have been made.

E. Deposits will be made to the employees' accounts in the following order:

   1 1st Savings Account

   2 2nd Checking Account

   3 2nd Savings Account

   4 Main Checking Account

   Example:

   The employee works a normal 80-hour pay period and his check stub shows the following:

Gross pay	$ 1,000.00
Less Taxes	100.00
Less Deductions	50.00
Net Pay	$ 850.00

   The employee wants to distribute his net pay with the following dollar amounts to the first three accounts (the remaining amount is deposited into the Main Checking Account):

1st Savings	$ 50.00
2nd Checking	100.00
2nd Savings	200.00
Subtotal	$ 350.00

Main Checking (receives balance of net pay)	$ 500.00
Total	$ 850.00

F. If the amounts specified for the 1st Savings, 2nd Checking, and/or 2nd Savings accounts equal or exceed the net pay, one or more deposits will be less than the requested deposit.

Example:

This employee normally has a gross pay of $1,000.00. He worked two days this pay period, so his gross pay was $200.00.

Gross pay	$ 200.00	
Less taxes	30.00	
Less deductions	50.00	
Net pay	$ 120.00	
1st Savings	$ 50.00	
2nd Checking	70.00	(Normal deposit is $100.00)
2nd Savings	00.00	(Normal deposit is $200.00)
Subtotal	$ 120.00	
Main Checking	$ 0.00 (Normal deposit is balance of net pay)	
Total	$ 120.00	

G. The Division of Finance Payroll Section processes all direct deposits. Once the Division of Finance Payroll Section receives the completed Employee Authorization for Payroll Direct Deposit, Form FI 21, employees should allow:

1. Two (2) weeks for direct deposits made to new or changed accounts to become effective. ***NOTE****: If it is a new bank or institution that the State of Utah has not dealt with previously for direct deposit, the account will go through the prenote process. It would take four (4) weeks for the direct deposit to become effective.*
2. Two (2) weeks for cancellations or dollar amount changes to become effective.

H. If an employee has closed his account and the State transfers funds to that account, the employee must wait until the financial institution refunds the money to the State Division of Finance. Once the State receives a credit for the money, the Division of Finance issues a warrant to the employee.

I. Funds directly deposited are usually available for withdrawal on payday. However, delays sometimes occur. If your deposit is delayed, contact your financial institution for an explanation. If your financial institution cannot help you, contact State Payroll.

The State of Utah is not responsible for bad check charges or for other costs incurred by the employee as a result of checks or withdrawals written on delayed direct deposits.

Procedures

Responsibility	Action

General

Departmental Payroll or Personnel Clerk

Obtain the Employee Authorization Agreement for Payroll Direct Deposits, Form FI 21, from www.finance.utah.gov.

Employee

1. Obtain an Employee Authorization Agreement for Payroll Direct Deposits, Form FI 21, from the departmental payroll or personnel clerk.

2. Complete the Employee Authorization Agreement for Payroll Direct Deposits, Form FI 21; sign and date the form. Attach the voided check or financial institution document(s) showing the routing and account numbers for the accounts to which the payroll warrant is to be directly deposited.

3. Send the completed form to the Division of Finance Payroll Section.
   - Allow two (2) weeks for the direct deposit made to a new or changed account to become effective, unless it is a new bank or institution the State of Utah has not dealt with previously. It would then take four (4) weeks for the direct deposit to become effective.
   - Allow two (2) weeks for cancellations or dollar amount changes to become effective.

Open New Account

Employee

1. Contact the financial institution to determine if it can receive electronically transmitted deposits. If the financial institution is unable to receive funds electronically, the State cannot process a direct deposit for that account.

2. Select the type of direct deposit account to be opened:
   - Main Checking Account (required)
   - 1st Savings Account
   - 2nd Checking Account
   - 2nd Savings Account

3. Complete the form:
   - Check the appropriate NEW box.
   - Enter the dollar amount (except Main Checking).
   - Enter the financial institution name and telephone number.
   - Verify the routing number shown on the voided check or other documents for each financial institution.
   - Read the authorization section.
   - SIGN and date the form.
   - Attach the voided check or financial institution document(s) showing the routing and account numbers.

4. Send the completed form to the Division of Finance Payroll Section.
   - Allow two (2) weeks for direct deposit to become effective, unless it is a new bank or institution the State of Utah has not dealt with previously. It would then take four (4) weeks for the direct deposit to become effective.

Division of Finance

Prenote any new account(s) for one pay period. The prenote process is a dry run to detect any problems. This process is used only when the bank or institution has not been previously used by the State of Utah for direct deposit.

Cancel Account

Employee

1. Obtain an Employee Authorization Agreement for Payroll Direct Deposits, Form FI 21, available electronically from www.finance.utah.gov.
2. Decide which direct deposit to stop:
   - Main Checking Account (See NOTE below)
   - 1st Savings Account
   - 2nd Checking Account
   - 2nd Savings Account
3. Complete the form:
   - Check the appropriate CANCEL box.
   - Enter the financial institution name and telephone number.
   - SIGN and date the form
4. Send the completed form to the Division of Finance Payroll Section.
   - Allow two (2) weeks for the cancellation to become effective.

NOTE*: The State requires direct deposit to the Main Checking account. If the employee cancels direct deposit to the Main Checking Account, the State will* ***AUTOMATICALLY*** *cancel direct deposit to the 1st Savings Account, 2nd Checking Account, and 2nd Savings Account.*

DO NOT *close the account until you can verify that the State has stopped the direct deposit. If the State transfers funds to an account that the employee has closed, the employee must wait until the financial institution refunds the money to the State Division of Finance. Once the State receives the credit for the money, the Division of Finance issues a warrant to the employee.*

Change Account Number with the Same Financial Institution

Employee

1. Obtain an Employee Authorization Agreement for Payroll Direct Deposits, Form FI 21, available electronically from www.finance.utah.gov.
2. Complete the form:
   - Check the appropriate CHANGE ACCT. box.
   - Enter the financial institution name and telephone number.
   - Verify the routing number shown on the voided check or other documents for each financial institution.
   - SIGN and date the form.
   - Attach a voided check or financial institution document(s) showing the routing and account numbers for the accounts to which the money is to be deposited. Send the completed form to the Division of Finance Payroll Section.

- Allow two (2) weeks for the direct deposit made to a new or changed account to become effective.

***DO NOT** close the current account until you can verify that the new direct deposit account is active. If the State transfers funds to an account that the employee has closed, the employee must wait until the financial institution refunds the money to the State Division of Finance. Once the State receives the credit for the money, the Division of Finance issues a warrant to the employee.*

Division of Finance

Process the direct deposit change.

Change $ Amount

Employee

1. Select the direct deposit account(s) for which you want to change the dollar amount:
   - 1st Savings Account
   - 2nd Checking Account
   - 2nd Savings Account

   ***NOTE**: The amount designated for the Main Checking Account is always NET PAY.*

2. Complete the form:
   - Check the appropriate CHANGE $ AMT. box.
   - Enter the new dollar amount.
   - Enter the financial institution name and the telephone number.
   - SIGN and date the form.

   ***NOTE**: Use this action only if you are changing the dollar amount to be deposited to an EXISTING direct deposit account.*

3. Send the completed form to the Division of Finance Payroll Section.
   - Allow two (2) weeks for dollar amount changes to become effective.

Division of Finance

Process the direct deposit dollar amount change.

Change to a New Financial Institution

Employee

1. Contact the new financial institution to determine if it can receive electronically transmitted deposits. If the financial institution is unable to receive funds electronically, the State cannot process a direct deposit for that account.

2. Select the type of direct deposit to change to a new financial institution:
   - Main Checking Account
   - 1st Savings Account
   - 2nd Checking Account

- 2nd Savings Account

3. Complete the form:
    - Check the appropriate CHANGE FINANCIAL INSTITUTION box.
    - Enter the dollar amount.
    - Enter the new financial institution name and telephone number.
    - Verify the routing number shown on the voided check or other documents for each financial institution.
    - SIGN and date the form.
    - Attach to the form the voided check or financial institution document(s) showing the routing and account numbers.

4. Send the completed form to the Division of Finance Payroll Section.
    - Allow two (2) weeks for direct deposit to become effective, unless it is a new bank or institution the State of Utah has not dealt with previously. It would then take four (4) weeks for the direct deposit to become effective.
    - **DO NOT** close the current account until you can verify that the new direct deposit account is active. If the State transfers funds to an account that the employee has closed, the employee must wait until the financial institution refunds the money to the State Division of Finance. Once the State receives the credit for the money, the Division of Finance issues a warrant to the employee.

Division of Finance	Process the direct deposit change.

Timing

Establish New Account or Change Financial Institution for Payroll Direct Deposit which Goes through the Prenote Process

Once the Division of Finance Payroll Section receives a completed and signed Employee Authorization Agreement for Payroll Direct Deposits, Form FI 21, the employee should allow four (4) weeks for the direct deposits to new accounts to become effective. If the State of Utah has not dealt previously with the bank or institution, the employee’s request for direct deposit must go through the prenote process.

New Accounts or Change Financial Institutions that Are Not Required to Go Through the Prenote Process, Cancel Account, and/or Change $ Amount for Direct Deposit

Once the Division of Finance Payroll Section receives a completed and signed Employee Authorization Agreement for Payroll Direct Deposits, Form FI 21, the employee should allow two (2) weeks for the direct deposits to new accounts to become effective.

NOTE*: The State recommends that the employee should not close the current financial institution account until the direct deposit has been stopped or has been changed to the new account. If the State transfers funds to an account that the employee has closed, the employee must wait until the financial institution refunds the money to the State Division of Finance. Once the State receives the credit for the money, the Division of Finance issues a warrant to the employee.*

Authorization Agreement for Payroll Direct Deposit Form FI 21

FIACCT 11-07.00

Effective: 01-May-89

Revised: 02-Oct-00

Purpose

This policy explains how to authorize the direct deposit of an employee's payroll warrant to one or more financial institution(s).

Instructions for Entry

Field	**Description**
Employee Name	Print the name of the employee desiring direct deposit of his payroll warrant.
Employee Number	Print the employee's Employee Number.
Agency Name	Print the employee's agency name.
Division	Print the employee's division within the agency.
Office Phone	Print the employee's work telephone number.

Main Checking:

Mark appropriate fields:

- **New –** Check box to indicate that this is a request to initiate direct deposit.
- **Change Acct –** Check box to indicate that this is a request to change the financial institution account number.
- **Change Fncl Inst –** Check box to indicate that this is a request to change to a new financial institution.
- **Cancel –** Check box to indicate that this is a request to cancel direct deposit. If the employee cancels direct deposit to the Main Checking Account, the State will **AUTOMATICALLY** cancel direct deposit to the 1st Savings Account, 2nd Checking Account, and 2nd Savings Account.
- **Amount –** Indicates the dollar amount (NET PAY) remaining after deductions and direct deposits have been taken.
- **Financial Institution Name –** Print the name of the financial institution.
- **Phone** – Print the telephone number of the financial institution.

1st Savings:

Mark appropriate fields:

- **New** – Check box to indicate that this is a request to initiate direct deposit.
- **Change Acct –** Check box to indicate that this is a request to change the financial institution account number.
- **Change $ Amt** – Check box to indicate that this is a change in dollar amount for the account.
- **Change Fncl Inst** – Check box to indicate that this is a request to change to a new financial institution.
- **Cancel** – Check box to indicate that this is a request to cancel direct

deposit.

- **Amount** – Print the dollar amount to be deposited in the account.
- **Financial Institution Name** – Print the name of the financial institution.
- **Phone** – Print the telephone number of the financial institution.

2nd Checking: *Mark appropriate fields*:

- **New** – Check box to indicate that this is a request to initiate direct deposit.
- **Change Acct –** Check box to indicate that this is a request to change the financial institution account number.
- **Change $ Amt** – Check box to indicate that this is a change in dollar amount for the account.
- **Change Fncl Inst** – Check box to indicate that this is a request to change to a new financial institution.
- **Cancel** – Check box to indicate that this is a request to cancel direct deposit.
- **Amount** – Print the dollar amount to be deposited in the account.
- **Financial Institution Name** – Print the name of the financial institution.
- **Phone** – Print the telephone number of the financial institution.

2nd Savings: *Mark appropriate fields:*

- **New** – Check box to indicate that this is a request to initiate direct deposit.
- **Change Acct –** Check box to indicate that this is a request to change the financial institution account number.
- **Change $ Amt** – Check box to indicate that this is a change in dollar amount for the account.
- **Change Fncl Inst** – Check box to indicate that this is a request to change to a new financial institution.
- **Cancel** – Check box to indicate that this is a request to cancel direct deposit.
- **Amount** – Print the dollar amount to be deposited in the account.
- **Financial Institution Name** – Print the name of the financial institution.
- **Phone** – Print the telephone number of the financial institution.

Employee Signature Employee should read the authorization and sign the form.

Date Print the date the form is completed.

Payroll Warrant Messages

FIACCT 11-08.00

Effective: 01-May-89

Revised: 01-Jan-96

Purpose

This policy provides agencies with the ability to include messages on employee payroll warrant stubs. The messages may be generated for all state employees or for individual agencies.

Policy

A. The Payroll System has the capability to print messages on the employee payroll warrants. There are two message areas on the reverse side of the employee payroll warrants. The first message area is for a statewide message and the second message area is for an agency message. Requests for printing messages must be submitted in writing to the Director of Finance for approval at least two weeks prior to the desired pay date.

B. The Director of Finance or designated agent will approve or deny requests for messages on employee payroll warrants. The Division of Finance will enter all approved messages to process on the appropriate pay date. The requesting agency will be notified of any requests which are denied.

C. Agency or division messages must be approved by the agency head or designated agent.

D. Multiple message conflicts for agency messages requested for the same pay date will be referred back to the requesting agency head for prioritizing.

E. The maximum message length for each message block is 816 characters (17 lines, 48 characters wide); however, the message length should be as brief as possible.

NOTE: *The Division of Finance reserves the right to edit any messages or deny message requests.*

Procedures

Responsibility	Action
Agency	Use the Payroll Warrant Message Request, Form FI 62, which is available through the Division of Finance Web site at http://www.finance.utah.gov/forms. Complete the form with all of the necessary information and submit it to the Director of Finance at least two weeks prior to the desired pay date.
Director of Finance/ Designated Agent	Review the message and approve or deny request.
Division of Finance	1. Enter messages which have been approved to print on the employee payroll warrants on Division of Finance screens. 2. Notify agencies of message requests which are denied.

3. Process the appropriate messages for specified pay periods. Distribute employee payroll warrants to the employees.

Agency	Distribute employee payroll warrants to the employees.

Payroll Warrant Message Form FI 62

FIACCT 11-09.00

Effective: 01-May-89

Revised: 01-Jan-96

Purpose

The purpose of the Payroll Warrant Message Form is to enable the user to submit requests for statewide or agency messages on employee payroll warrants.

Instructions for Entry

NOTE*: This form is available at www.finance.utah.gov.*

Field	**Description**
Agency Name	Enter the name of the agency requesting that the message be printed on the employee payroll warrants.
Division	Enter the name of the division requesting that the message be printed on the employee payroll warrants.
Contact Person	Entered the name of the person requesting that the message be printed on the payroll warrants.
Phone	Enter the telephone number of the person who is requesting that the message be printed on the payroll warrants.
Date Requested	Enter the date of the request.
Pay Date for Message to Appear	Enter the pay date that the message should appear on the employee payroll warrants.
Type of Message	Check to indicate whether this message is for statewide or for an individual agency.
Agency Code	Enter the agency code if the Agency Message type is selected.
Message	Indicate the message to appear on the employee payroll warrants. There is a maximum of 816 characters of 17 lines, 48 characters per line.
Requesting Agency/Division Director's Signature	Signature of the Agency Head, or designated agent, from the agency requesting that the message be printed on the payroll warrants.
Phone #	Enter the telephone number of the Agency Head or designated agent who authorized the payroll warrant message request.

For Finance Use Only

Request	Indicates whether the request is approved or denied.
Authorized Signature	The Director of Finance signature.
Remarks	Enter any remarks regarding the request for a payroll warrant message.
Entered By	Initials of the Division of Finance employee entering the message to be printed on the payroll warrants.
Date Entered	Enter the date that the message was entered on the Division of Finance screens.

Pay Advance Payroll Deduction

FIACCT 11-10.00

Effective: 15-Sept-89

Revised: 01-Jul-96

Purpose

This policy provides a method for state employees to repay their pay advance through a payroll deduction each payday.

Policy

An employee who received a pay advance signed an *Acknowledgement by Employee of Payroll Advance*.

A. The *Acknowledgement by Employee of Payroll Advance* agreement between the employee and the State of Utah, requires that the employee repays the state, if the employee meets one of the following conditions:
   1. The employee is on leave without pay for more than 30 days.
   2. The employee's employment with the State of Utah is terminated.
   3. The employee retires from employment with the State of Utah.

B. Effective September 15, 1989, the employee may elect to repay the Pay Advance through a payroll deduction each payday. Do this by completing and submitting a Request for Pay Advance Payroll Deduction, Form FI 23, to the Division of Finance, Payroll Section. The minimum deduction amount is five dollars ($5.00) per payday.

C. Any unpaid balance outstanding when an employee terminates, retires or goes on leave without pay for more than 30 days, becomes due and payable. The unpaid balance will be withheld from the employee's final payroll warrant. If the payroll warrant is insufficient to cover the remaining balance, the former employee will be required to pay the balance. The employee's agency is responsible to collect any remaining unpaid balances. Any uncollected balances will be charged against the former employee's agency budget.

Background

Prior to the May 10, 1985 payday, there was a one week delay between the end of the pay period and payday. At that time payroll clerks were estimating time worked for the second week of the pay period to submit preliminary payrolls on time to the Division of Finance, Payroll Section. This created adjustments and additional work for both the payroll clerks and the Division of Finance, Payroll Section. Due to the volume involved in processing payroll, the State of Utah decided to use a two week delay in payment of wages. The State offered another pay advance in July 1997 for employees who worked for Job Services.

In order to assist the employees, the State advanced (loaned) an amount equal to one week's regular pay to each employee who desired it. The agreement between the State and the employee for the interest free loan stated that the employee could repay the entire amount at any time but must repay the entire amount upon termination, retirement, or leave without pay status longer than a period of thirty days. The following contract is an example of the original agreement.

Example

Quarterly Release Date: Sep.1, 2006 Date Printed: 10/26/2006 Query: Page: 26

JONES, GEORGE E 999-99-9999 3999-0000
STATE OF UTAH

ACKNOWLEDGEMENT BY EMPLOYEE OF PAYROLL ADVANCE

S S
T I, GEORGE E JONES , 999-99-9999, T
A ACKNOWLEDGE THE RECEIPT OF $385.95 ON MAY 10, 1985 AS AN AD- A
T VANCE AGAINST THE FUTURE PAYMENT OF WAGES FROM THE STATE OF UTAH. T
E I ACKNOWLEDGE AND AGREE THAT THE ADVANCE WILL BE CHARGED BACK E
‘ AND ADJUSTED IN MY SALARY ACCOUNT UPON THE OCCURRENCE OF ANY OR ‘
S ALL OF THE FOLLOWING CONDITIONS, UNLESS I ELECT TO REIMBURSE MY S
ACCOUNT IN THE AMOUNT OF THE ADVANCE PRIOR TO ANY SUCH HAPPENING:
C 1. I GO ON LEAVE WITHOUT PAY FOR MORE THAN 30 DAYS. C
O 2. MY EMPLOYMENT WITH THE STATE OF UTAH IS TERMINATED. O
P EITHER BY MYSELF OR THE STATE FOR ANY REASON. P
Y 3. I RETIRE FROM EMPLOYMENT WITH THE STATE OF UTAH. Y
SIGNED: ____ DATE _________
WITNESS: ____

AFTER SIGNING, RETURN THIS TO YOUR PAYROLL OFFICE.
AGENCY PAYROLL OFFICERS RETURN ALL FORMS TO DAS,
DIVISION OF FINANCE, STATE OFFICE BUILDING, SLC, UT, 84114.

Procedures

Responsibility **Action**

Establishing Pay Advance Payroll Deduction

Employee	Complete a Request for Pay Advance Payroll Deduction, Form FI 23, which is available through the Division of Finance Web site at http://www.finance.utah.gov/forms. ***NOTE****: Minimum deduction for the Pay Advance is five dollars ($5.00) per payday.*
Agency Payroll or Personnel Clerk	Forward the completed form to the Division of Finance, Payroll Section. ***NOTE****: The Request for Pay Advance Payroll Deduction, Form FI 23, needs to be in the Division of Finance, Payroll Section no later than the Friday prior to the scheduled payday in which the deduction should begin.*
Division of Finance	Process the payroll deduction information.

Changing Pay Advance Payroll Deduction

Employee	Obtain a Request for Pay Advance Payroll Deduction, Form FI 23, which is available through the Division of Finance Web site at http://www.finance.utah.gov/forms. Write CHANGE in large letters on the top portion of the form; then complete the Request for Pay Advance Payroll Deduction, Form FI 23, and give it to your agency payroll or personnel clerk.

***NOTE**: Minimum deduction for the Pay Advance is five dollars ($5.00) per payday.*

Agency Payroll or Personnel Clerk	Forward the completed Form to the Division of Finance, Payroll Section. ***NOTE**: The Request for Pay Advance Payroll Deduction, Form FI 23, needs to be in the Division of Finance, Payroll Section no later than the Friday prior to the scheduled payday in which the deduction should begin.*
Division of Finance	Process the payroll deduction change.

Request for Pay Advance Payroll Deduction Form FI 23

FIACCT 11-11.00

Effective: 15-Sept-89

Revised: 01-Jul-96

Purpose

The purpose of the Request for Pay Advance Payroll Deduction, Form FI 23, is to allow the employee to request a payroll deduction each payday to pay back his Pay Advance (see the Pay Advance Payroll Deduction policy in this section of the manual). This form is available through the Division of Finance Web site at http://www.finance.utah.gov/forms.

Instructions for Entry

Field	**Description**
Employee Identification Number	The employee's Employee Identification Number.
Print Employee Name	Print the name of the employee (as it appears on the Payroll System) desiring the payroll deduction for the Pay Advance.
$	Dollar amount to be deducted each payday. Minimum deduction is five dollars ($5.00) per payday.
Beginning With Payday	The calendar date of the payday that the payroll deduction for the Pay Advance is to begin.
Employee Signature	The signature of the employee.
DATE	The date that the employee signs the Request for Pay Advance Payroll

W-2 Replacements

FIACCT 11-12.00

Effective: 01-May-89

Revised: 01-Jul-97

Purpose

This policy establishes a procedure for replacing W-2s of state employees.

Policy

A. The Division of Finance shall provide replacement W-2s when requested by state employees, subject to a fee of $5.00 per replacement.

B. This policy is effective for all requests received after January 1, 1989.

Background

Over the last few years the Division of Finance has experienced a large increase in the volume of W-2s requiring replacement. The original W-2s are mailed or hand delivered to State employees by January 31 each year. Usually, the employee will not fill out their tax return until much later and often misplace their W-2.

The $5.00 fee will cover part of the cost of researching and printing the replacement W-2 and will hopefully give employees an additional incentive to file their W-2s more carefully.

Procedures

Responsibility	Action
Agency Payroll or Personnel Clerks	When employees request a replacement for lost W-2s, direct them to contact the Division of Finance Payrol1`l Section and inform them of the $5.00 fee.

Pay Periods and Holidays

FIACCT 11-13.00

Effective: 16-Nov-89

Revised: 03-Jan-06

Purpose

This policy provides information regarding the 2006 schedule of pay period dates and holidays.

Policy

The Division of Finance shall provide for Payroll System users a schedule of pay period dates and holidays before the new calendar year.

2006 Schedule of Pay Periods and Holidays

Pay Period	**Begin Date**	**End Date**	**Check Date**	**Date Holiday Observed**	**Holiday Description**
01	12/31/2005	01/13/2006	01/27/2006	01/02/2006	(M) New Year's Day
02	01/14/2006	01/27/2006	02/10/2006	01/16/2006	(M) Dr. Martin Luther King, Jr. Day
03	01/28/2006	02/10/2006	02/24/2006		
04	02/11/2006	02/24/2006	03/10/2006	02/20/2006	(M) Washington and Lincoln Day
05	02/25/2006	03/10/2006	03/24/2006		
06	03/11/2006	03/24/2006	04/07/2006		
07	03/25/2006	04/07/2006	04/21/2006		
08	04/08/2006	04/21/2006	05/05/2006		
09	04/22/2006	05/05/2006	05/19/2006		
10	05/06/2006	05/19/2006	06/02/2006		
11	05/20/2006	06/02/2006	06/16/2006	05/29/2006	(M) Memorial Day
12	06/03/2006	06/16/2006	06/30/2006		
13	06/17/2006	06/30/2006	07/14/2006		
14*	07/01/2006	07/14/2006	07/28/2006	07/04/2006	(T) Independence Day
15	07/15/2006	07/28/2006	08/11/2006	07/24/2006	(M) Pioneer Day
16	07/29/2006	08/11/2006	08/25/2006		
17	08/12/2006	08/25/2006	09/08/2006		
18	08/26/2006	09/08/2006	09/22/2006	09/04/2006	(M) Labor Day
19	09/09/2006	09/22/2006	10/06/2006		
20	09/23/2006	10/06/2006	10/20/2006		
21	10/07/2006	10/20/2006	11/03/2006	10/09/2006	(M) Columbus Day
22	10/21/2006	11/03/2006	11/17/2006		
23	11/04/2006	11/17/2006	12/01/2006	11/10/2006	(F) Veterans' Day
24	11/18/2006	12/01/2006	12/15/2006	11/23/2006	(Th) Thanksgiving Day
25	12/02/2006	12/15/2006	12/29/2006		
26	12/16/2006	12/29/2006	01/12/2006	12/25/2006	(M) Christmas Day

* This year there is no dual year pay period.

Column Definition

Pay Period	The pay period number.
Begin Date	The date of first day of the pay period.
End Date	The date of last day of the pay period.
Check Date	The date that the payroll warrant will be issued.
Date Holiday Observed	The date the holiday is observed.
Holiday Description	The day of the week the holiday is observed and the description of the holiday.

Pay Periods and Holidays for 2007

FIACCT 11-13.01

Effective: 16-Nov-89

Revised: 20-Oct-06

Purpose

This policy provides information regarding the 2007 schedule of pay period dates and holidays.

Policy

Prior to the new calendar year, the Division of Finance shall provide a schedule of pay period dates and holidays for Payroll System users.

2007 Schedule of Pay Periods and Holidays

Pay Period	Begin Date	End Date	Check Date	Date Holiday Observed	Holiday Description
01	12/30/2006	01/12/2007	01/26/2007	01/01/2007	(M) New Year's Day
02	01/13/2007	01/26/2007	02/09/2007	01/15/2007	(M) Dr. Martin Luther King, Jr. Day
03	01/27/2007	02/09/2007	02/23/2007		
04	02/10/2007	02/23/2007	03/09/2007	02/19/2007	(M) Washington and Lincoln Day
05	02/24/2007	03/09/2007	03/23/2007		
06	03/10/2007	03/23/2007	04/06/2007		
07	03/24/2007	04/06/2007	04/20/2007		
08	04/07/2007	04/20/2007	05/04/2007		
09	04/21/2007	05/04/2007	05/18/2007		
10	05/05/2007	05/18/2007	06/01/2007		
11	05/19/2007	06/01/2007	06/15/2007	05/28/2007	(M) Memorial Day
12	06/02/2007	06/15/2007	06/29/2007		
13	06/16/2007	06/29/2007	07/13/2007		
14*	06/30/2007	07/13/2007	07/27/2007	07/04/2007	(W) Independence Day
15	07/14/2007	07/27/2007	08/10/2007	07/24/2007	(T) Pioneer Day
16	07/28/2007	08/10/2007	08/24/2007		
17	08/11/2007	08/24/2007	09/07/2007		
18	08/25/2007	09/07/2007	09/21/2007	09/03/2007	(M) Labor Day
19	09/08/2007	09/21/2007	10/05/2007		
20	09/22/2007	10/05/2007	10/19/2007		
21	10/06/2007	10/19/2007	11/02/2007	10/08/2007	(M) Columbus Day
22	10/20/2007	11/02/2007	11/16/2007		
23	11/03/2007	11/16/2007	11/30/2007	11/12/2007	(M) Veterans' Day
24	11/17/2007	11/30/2007	12/14/2007	11/22/2007	(Th) Thanksgiving Day
25	12/01/2007	12/14/2007	12/28/2007		
26	12/15/2007	12/28/2007	01/11/2008	12/25/2007	(T) Christmas Day

* This year, 1 day (Sat.) falls in fiscal year 2007 and 13 days (Sun., Mon., Tue., Wed., Thu., Fri., Sat., Sun., Mon., Tue., Wed., Thu., and Fri.) of pay period #14 fall in fiscal year 2008. The payroll system will automatically separate regular hours worked and leave hours used between the old and new year.

Column Definition

Pay Period	The pay period number.
Begin Date	The date of first day of the pay period.
End Date	The date of last day of the pay period.
Check Date	The date that the payroll warrant will be issued.
Date Holiday Observed	The date holiday is observed
Holiday Description	The day of the week the holiday is observed and the description of the holiday.

Terminating Emp. Processing - Sample Checklist

FIACCT 11-14.00

Effective: 01-Apr-92

Revised: 01-Jul-98

Purpose

The Terminating Employee Checklist gives users a guideline to ensure the terminating employee returns equipment or pays any outstanding personal financial obligations that are owed to the State.

Terminating Employee Checklist

Initial	**Inventory/Credit Cards**
________	Keys
________	Computer System Security Passwords
________	Employee Identification Card
________	Uniforms
________	State Credit Cards
	_________________ #______________________________________
	_________________ #______________________________________
	_________________ #______________________________________
________	Equipment (describe below)

____

____

____

Outstanding personal financial obligations owed to the State:

Initial	**$ Amount**	**Financial Obligations**
________	__________	Payroll Advance
________	__________	Travel Advance
________	__________	Relocation (Must be in department for one year)
________	__________	Educational Assistance (Received for prior fiscal year)
________	__________	Overpayment of Flexible Benefits
________	__________	State Credit Card Charges
________	__________	Payroll Overpayment

Other Obligations Owed to the State

____

____

____

____

Honorariums

FIACCT 11-15.00

Effective: 01-Jan-96

Revised:

Purpose

This policy defines the State's policy for honorariums received by employees for speaking engagements and other consultative services.

Policy

A. State employees who travel at state expense and/or on state time and are granted honorariums for speaking or for rendering consultative services shall remit the amount of the honorarium to the agency in which they are employed. The agency shall handle these funds as refunds of expenses.

B. State employees who travel at their own expense and on their own time may retain honorariums.

Definitions

Honorarium	A voluntary payment made for services where no fee is legally required.

Name Changes

FIACCT 11-16.00

Effective: 01-Apr-96

Revised:01-Jul-98

Purpose

This policy provides instructions for documenting name changes made for an employee.

Policy

A. To ensure that the Social Security wages are credited properly to the employee's account, the employee's name on the system should be the same as the name on the employee's Social Security Card.

B. Agencies must not change an employee's name on the system until they receive a copy of the employee's Social Security Card with the new name and a completed and signed W-4 form with the new name.

C. Taxing option changes are to be made only by the Division of Finance Payroll Section.

Procedures

Responsibility	Action
Employee	The following are required in order to change the name on the system. ◆ Apply for a Social Security Card with the new name at the Social Security Administration office. ◆ Complete a W-4 form with the new name. ◆ Give the personnel technician a copy of the new Social Security Card and the new W-4 form.
Personnel Technician	1. Complete the name change using the HR Enterprise system. Screen print the employee's old name, and the employee's new name. Note the action is a name change. 2. Do not make changes to the taxing options. Taxing option changes are to be made only by the Division of Finance Payroll Section. 3. Send the following forms to the Division of Finance Payroll Section: ◆ Copy of the employee's Social Security Card with the new name. ◆ Completed and signed W-4 form with the new name. ◆ Screen print of the HRE views of the name change.
Division of Finance Payroll Section	Receive and verify the paperwork. If the information is in order, enter the W-4 information on the system.

Payroll Review and Approval Process

FIACCT 11-17.00

Effective: 03-Mar-03

Revised: 03-Oct-05

Purpose

This policy defines responsibility for the accuracy of payments from the Payroll System and documentation of the review and approval process.

Policy

To document internal control for audit purposes, the agency should maintain a record that a verification process was followed every pay period to insure the accuracy of the data entered. The agency is responsible for reviewing and approving the information contained on employee time sheets as well as the data entered in the Payroll System. A manager or a supervisor other than the time entry operator, should review and approve the following each pay period.

Approval Documentation

A. *Time Sheets* – An employee must complete a biweekly time sheet that accurately reflects total hours worked and leave taken. An agency supervisor must review and approve the time sheet before the information is entered into the Payroll System. File the approved time sheets for audit purposes.

B. *Entry Verification* – Print the reports listed in the ***Required Review*** section below and have the person reviewing the reports sign and date the report. File the reports for audit purposes. If the required reports are too lengthy to print out and file, you may do one of the following:
   - Print the last page of each report and attach it to a completed and signed Payroll Review and Approval Cover Sheet. (A copy of the Payroll Review and Approval Cover Sheet can be found at the end of this policy.) File the cover sheet and report pages for audit purposes.
   - Save the report in an electronic format. Complete and sign a Payroll Review and Approval Cover Sheet. Store the electronic file of reports and the signed cover sheet for audit purposes.

C. *ESS Time Sheets* – An employee may, with agency approval, complete the time sheet via the State's Employee Self Service (ESS) Internet portal.

D. *ESS Entry Verification* – An agency supervisor must approve the ESS time entered via the State's Manager Self Service (MSS) Internet portal before the time entered will be processed. Since the time entered has been reviewed by the supervisor, review of the Time Summary Report is not required for time entered through ESS.

Required Review

A. *Time Summary Report* – This report can be run after the preliminary time evaluation process is complete. The report is a summary of all the time and other pay that will be paid when the payroll is run.

B. *Time Edit Report* – This report lists all employees with time that does not match the scheduled hours and/or have other pay entries. If any of these entries are incorrect, the transactions must be modified and another Time Edit Report should be run until the result is correct. If these entries are not corrected, they will be processed when the payroll is run. This report should be reviewed and any corrections made by the close of business on Friday of the time entry week.

C. *Time Entered After Cutoff Report* – This report lists all time and other pay entries entered after the cutoff deadline, for the current or any previous pay period. It allows the agency to review all time and other earnings entered after a specific date and time set by the agency. This assures the agency that only authorized entries are made after the cutoff. At a minimum this report should be run after payroll has been processed.

D. *Payroll Results Edit Report* – This report should be run only after the Division of Finance completes processing the preliminary payroll. This report may be used to itemize all earnings and deductions. The agency can use this report to identify exceptions that may need additional review. The agency can use this report to identify possible payroll errors before payroll is processed each pay period. This should be run and reviewed on Monday of the payroll week. Correcting entries should be made before the payroll is processed for the period. The report can display all earnings and deductions for the current period. At a minimum, agencies should review the report by using the selection filters for wage type including wage types 1100 - 1300 and retro records.

E. If any of the reports listed above do not provide meaningful reviews because of variations in agency processes, an exception to using a report must be submitted to the Division of Finance in writing. Additional reports and analysis may be done by agencies. If other reports are used to document the review and approval of payroll, the agencies may modify the Payroll Review and Approval Cover Sheet to include the other reports.

Background

In the previous Payroll System, the employee would complete a biweekly time sheet, which was approved by an agency supervisor and then given to the payroll time entry clerk. The payroll time entry clerk entered the time and other earnings and the payroll supervisor or designee would approve a summary of entries. An electronic record of this approval was made.

In the new Payroll System (effective March 3, 2003) we do not use an electronic record of the management review and approval process. Reviews and approvals should be conducted at an appropriate level or levels to be meaningful and should be completed before payroll is run. To insure that there is an independent review of time and payments entered each pay period, this review must be documented and maintained for audit purposes. The supervisor or designee must show that a review for accuracy of data is completed before the payroll is run.

Procedures

Responsibility	Action
Agency	*The agency is responsible for all of the following:* 1. Review and approve biweekly time sheets completed by employee. 2. Correctly enter time and other earnings to the SAP Payroll System. 3. Review and approve transactions entered. Review the following reports: Time Summary, Time Edit, Time Entered After Cutoff, and Payroll Results Edit Reports. 4. Complete one of the following:

- Sign and date each report
- Sign and date a Payroll Review and Approval Cover Sheet and attach the last page of each report.
- Sign and date a Payroll Review and Approval Cover Sheet and save an electronic file of each report.

5. Maintain a file of approved time sheets

6. Store the review verification documents (Either the signed reports, the Payroll Review and Approval Cover Sheet and last page of the reports, or the Payroll Review and Approval Cover Sheet and the electronic file of reviewed reports.)

7. Request any exceptions to this policy in writing from the Division of Finance.

Division of Finance

1. Run time evaluation, preliminary payroll, and final payroll.

2. Review and grant appropriate policy exceptions.

Payroll Review and Approval Cover Sheet

Department: ______________________________

Division: ______________________________

I have reviewed the Time Summary report and the Time Edit report for:

Pay period ______________________________

Agency ______________________________

Organization/Distribution(s)______________________________.

The entries are correct based on the approved time sheets.

____
(Signature)

____
(Print name)

____
(Title)

____
(Date)

- -

I have reviewed the Time Entered After Cutoff report and the Payroll Results Edit report for:

Pay period ______________________________

Agency ______________________________

Organization/Distribution(s)______________________________.

I verify that the amounts posted are consistent with what was entered and any changes to the original entry were properly authorized.

____
(Signature)

____
(Print name)

____
(Title)

____
(Date)

Dual Employment

FIACCT 11-18.00

Effective: 01-Jul-99

Revised: 07-Apr-03

Purpose

This policy establishes procedures for paying employees who work for more than one agency and who meet the *Employee* criteria in the ***Definitions*** section below.

Policy

A. A person may work for another agency of state government if the Department of Human Resource Management rules regarding secondary employment are followed:
   1. Persons who meet the *Employee* criteria in the ***Definitions*** section below will be paid for all positions by recording his/her time through the Time Management System.
   2. Persons who substantially meet all of the *Independent Contractor* criteria in the ***Definitions*** section below, will be paid on a contract.

B. The definition of an employee will be based on Internal Revenue Service (Employer's Tax Guide, Circular E) guidelines. Agencies must consider the guidelines before paying someone as an independent contractor. If there is a question, contact Department of Human Resource Management or Division of Finance for help in making the decision.

C. An employee can hold up to four positions within state government. The supervisor of the employee's primary position must authorize the employee to hold additional positions. This form applies only to the additional positions.

D. The employee must read and sign Form FI 7, Accepting Terms of Dual Employment. Obtain the signature of supervisors in all positions.

E. Dual employment with the State requires compliance with the Fair Labor Standards Act (FLSA). The employee's FLSA status (exempt or non-exempt) for positions 2, 3 and 4 will be that of the employee's primary position. Positions 2, 3, and 4 are considered *At-Will Employment*.

F. Form FI 8, Time Sheet for Dual Employment, for positions 2, 3, and 4 is required to be signed by the employee's supervisor for each position, and a copy must be sent to the primary employer. If the secondary position is within an agency other than the primary employer's agency, a copy of the FI 8 must also be submitted by the agency payroll person to the Division of Finance Payroll Section for data entry.

G. Regular and overtime pay will be charged when and where it is earned. The *Regular Hours Ceiling* is the point at which additional time worked is considered overtime according to FLSA and state regulations. By default, whatever position the employee is working in at the time his *Regular Hours Ceiling* is exceeded will be charged for the overtime. For example: An employee with a 40-hour per week ceiling works Monday through Friday 8 hours a day in his/her primary position and 2 hours a day in his/her secondary position. No overtime will be earned or charged to either position until Friday. Every hour worked on Friday is overtime and will be charged as 8 hours of overtime to the first position and 2 hours of overtime to the second position. Overtime can be charged directly to a position by indicating on the time sheet which hours should be charged as overtime; otherwise overtime will be charged as described in the example.

H. The employee will not accrue compensatory time while in dual employment status. Overtime is always paid when the regular hours ceiling is exceeded. Overtime pay is calculated at straight time or time and one half, depending on the FLSA status of the primary position. The time and one half pay rate is the weighted average of the hourly pay rate and other earnings of each position worked in the pay period.

I. The employee will not accrue excess leave hours while in dual employment status. All excess leave hours are paid at the straight time pay rate of the position where the excess leave hours are worked.

J. The employee's state paid benefit costs are proportionately distributed among all employing agencies, **not** just the primary employer.

K. No annual or sick leave will be accrued for positions 2, 3, and 4. However, if annual and sick leave are accrued in the employee's primary position, all hours worked for each position will be taken into account to determine the amount of leave accrued. The amount accrued will not exceed the maximum amount allowable in the primary position.

L. One payroll warrant will be processed for the employee with multiple positions within state government. The payroll warrant will be distributed to the agency of the primary position. Yearend reporting of all earnings from all positions in state government will automatically be combined on one W-2 form for the employee.

M. Fiscal yearend and calendar yearend payments for employees in dual employment must match the cutoff deadlines established by the Division of Finance each year. Dual employment employees will be paid for work performed through June 30 fiscal yearend as old year expenses.

Background

Effective May 15, 1999, dual employment capability in the Time Management System was implemented for all state agencies. The system is designed to manage biweekly payroll processing for all employees including employees who work in more than one state position. For regular employees with more than one state position, dual employment will be treated as temporary employee status.

Definitions

Using IRS rules, the definition of an employee is general and not always clear-cut. However, there are hundreds of court cases that can be reviewed in specific cases. The general definition is as follows:

Employee

You are an employee if the person you work for may tell you what to do and how, when, and where to do it. The employer may not have to tell you these things but needs only the right to do so. Factors about your job arrangement that may show you are an employee are:

1. The person you work for may terminate your employment.
2. The person you work for furnishes you with tools and/or equipment and a place to work.
3. You receive training from the person you work for or are required to follow that person's instructions.
4. You must do the work yourself.
5. You do not hire, supervise, or pay assistants (unless you are employed as a foreman, manager, or supervisor).
6. The person you work for sets your hours of work, requires you to work full-time or part-time, or restricts you from doing work for others.
7. The person you work for pays your business or traveling expenses.
8. You are paid by the hour, week, or month.

Independent Contractor	Independent contractors are in business for themselves (e.g., doctors, lawyers, veterinarians and construction contractors). Factors that show contractor status in your job arrangement are: 1. You decide what to do, how, when and where to do it. 2. You make a profit or suffer a loss. 3. You are hired to complete a certain job, and if you quit before the job is completed you may be liable for damages. 4. You work for a number of other persons or firms at the same time. 5. You advertise to the general public that you are available to perform services. 6. You pay your own expenses and have your own equipment and workplace.
At-Will Employee	An individual appointed to work for no specified period of time or one who has not acquired career service status and may be terminated at any time without just cause.
Primary Employment	The main position the employee holds in state government.
Dual Employment	The status of an employee who has more than one position within state government.
Schedule	DHRM designation of position type.

Procedures

Responsibility	Action
Employee	Notify the agency of primary employment in writing of any desire to seek dual employment in state government.
Primary Agency Head or Designee	Approve the request when the Human Resource Management Rules allow the person to be in dual employment. (See Human Resource Rules, Working Conditions Employment in More than One State Job.)
Employee	Sign Form FI 7, Accepting Terms of Dual Employment. Give form to payroll person in primary position to be kept with payroll records.
Agency Payroll Technician For positions 2, 3, or 4	Send the Division of Finance Payroll Section a copy of the completed Form FI 7, Accepting Terms of Dual Employment. By Wednesday following the last day of the pay period, send the Division of Finance Payroll Section a copy of an approved Form FI 8, Time Sheet for Dual Employment, for hours worked.

The employee name, Employee Identification Number, hourly rate, and all charging information such as fund, agency, org, appropriation unit, activity, reporting category, project/job, and function are required for every FI 8, sent to

	the Division of Finance Payroll Section for entry.
State Payroll	Add information to the Employee Master Data Screen for positions 2, 3, or 4 using the Dual Employment Screen. Set the overtime flag to time paid and the excess hours accrual to zero. After the primary position hours are entered by the agency, use the Time Entry Screen to enter time worked, according to the approved FI 8. Charge regular hours to the appropriate positions.
Agency	Pick up the payroll warrants.
State Payroll	Post the information to the FINET System.

Timing

Monday through Friday, following the last day of the pay period:
Agency payroll technicians enter employee time sheet information on the Time Entry Screen (unless there is a holiday that requires Division of Finance to run an update for payroll a day early).

Wednesday, following the last day of the pay period:
Dual employment time sheets are sent to the Division of Finance Payroll Section for data entry on the Time Entry Screen.

Monday before payday:
The Division of Finance Payroll Section runs preliminary payroll.

Tuesday before payday:
Division of Finance Payroll Section runs the payroll and starts the process to generate the payroll warrants.

Thursday before payday:
Users who mail the payroll warrants, pick up employee payroll warrants.

Friday (payday):
Agencies who do not mail employee payroll warrants, pick up employee payroll warrants. Distribute the payroll warrants to employees.

Payroll Warrant Requests – Off-Cycle Check Requests

FIACCT 11-19.00

Effective: 05-Apr-04

Revised:

Purpose

This policy describes the policies and procedures regarding requests for off-cycle payroll warrants. The off-cycle payroll process is used to alleviate the hardship an employee experiences when a mistake in the regular payroll process causes a significant error in the employee's paycheck.

Background

When a mistake causes material underpayment to an employee in the regular payroll process, a payroll warrant (check) can be generated before the next regular payday. These "off-cycle" payments can be generated anytime during the week following the payday in which the error occurred. They cannot be generated anytime during the week regular payroll is processed.

Policy

A. State Finance will process requests for off-cycle checks only during the week of time entry. Requests received during the week of payday will not be processed until the Monday following payday. During the time entry week: forms received before 11:00 a.m. are processed the same day they are received; forms received after 11:00 a.m. are processed the next day. No off-cycle checks are processed during the week of payday. Agency budgets will be charged a $15 processing fee for each off-cycle check.

B. Off-cycle checks may be issued to correct mistakes when:
- An employee is not paid at all on a regular payday
- The employee's net pay is significantly less than what it should have been and a payment delay would cause a hardship
- The regular paycheck included material errors that are easier to correct by canceling the regular check and replacing it with an off-cycle check.

C. Off-cycle checks **will not be issued** when:
- The payment is in addition to the normal pay the employee received (Examples include bonuses, overtime, etc.) The additional pay should be included with the next regular pay check.
- The amount of the error is small and will not create a hardship for the employee. The correction should be included with the next regular check.

Procedures

Agency

1. Determine that an off-cycle check is appropriate (see above criteria).

2. Take corrective action. This usually involves making correcting entries in the Time Entry Screen. These entries can be made after noon on payday.

3. Complete the Payroll Warrant Request Form, FI 15. Sign the completed form and submit or fax (801-538-3244) the form to the Division of Finance, Payroll Section.

Division of Finance

1. Verify that the request is appropriate and that entries have been made that

will create the correct off-cycle payment.

2. Generate the off-cycle check.

Employee Self Service - Time Entry

FIACCT 11-20.00

Effective: 04-Oct-04

Revised:

Purpose

This policy describes the requirements and procedures to enable employees to enter their own time in the Payroll System through Employee Self Service (ESS) and for supervisors to approve time entries through Manager Self Service (MSS).

Policy

A. Agency management must designate at least one person to act as the Agency Payroll Coordinator. This person is responsible to monitor the agency's ESS process, to ensure that staff is available to assist agency employees and supervisors, and to approve ESS time entries when the supervisor and the alternate are not available.

B. Agency Payroll Coordinators must notify State Payroll which groups of employees may enter their own time into the State's Payroll System. Employees must be grouped by "Org key," which is comprised of Agency code, Organization code, and Distribution code. (If not all employees within the same organization should have ESS time entry, the agency may group them in a different "Org key" by assigning a different Distribution code to those employees.)

C. Agencies must assure that employees' records in the Department of Human Resource Management's HR Enterprise System (HRE) contain:
   - The Work Schedule code of *199* that allows for time entry 24 hours a day, 7 days a week
   - The Pay Status code of *1* that requires time entry
   - A unique Position Number (the same number cannot be assigned to other employees)
   - The Position ID of the supervisor who approves the employee's time (see the "Position" window in the HRE system)

D. ESS and MSS will malfunction if the above HRE data does not conform to this policy. The agency is responsible for any problems that may result from inaccurate or missing data.

E. State Payroll will set up ESS time entry capabilities for each employee in the designated groups. These capabilities will also apply to employees that are hired or transferred into these groups. State Payroll will also set up MSS time entry approval capabilities for supervisors of employees who have ESS time entry capabilities. Agency Payroll Coordinators will be notified when the set-up is complete and when ESS/MSS time processing for the employee groups may begin.

F. Agencies must inform employees and supervisors when and how to use ESS and MSS. Agencies also must notify employees and their supervisors that if the employee's time is not entered and approved within established deadlines, the employee's paycheck may be delayed.

G. Agency time entry operators must continue to enter some data in the Cross Application Time Sheet (CATS) entry screen. Non-hourly pay such as mileage reimbursements and incentive awards must be entered in CATS screens. Time entries and corrections must also be entered in CATS when the deadline for ESS time entry has passed (usually the close of business on the first Monday of the next pay period).

H. Employees working two or more positions (dual employment) will be allowed to use ESS only for time worked in the primary position. Paper time sheets will continue to be used for secondary positions. Time entries for secondary positions should be made in CATS after the ESS time entry for that period is closed.

I. Transfer of an employee who uses ESS time entry to an organization that does not use ESS time entry should occur only at the beginning of a pay period. If the transfer occurs mid-pay period, the sending organization must notify the receiving organization that any time entered by the employee before the transfer must be approved by the receiving agency.

Background

In 2004 State Finance implemented an Internet portal for state employees. This portal provides employees access to functionality that allows them to view and change some of their payroll data. This functionality is referred to as Employee Self Service (ESS). Employees may also enter their own time using ESS. Employee entry of hours worked and leave taken replaces time entry by an agency payroll technician. The portal also includes Manager Self Service (MSS) functionally that enables supervisors to approve the time entries of employees. Time that has been entered and approved through the portal is included in the employee's paycheck. Having employees enter time on-line eliminates the need for a paper time sheet and time entry by payroll technicians.

Procedures

Responsibility	**Action**
Agency Management	1. Designate at least one person in the agency to act as the Agency Payroll Coordinator. Send the name of the designee to the State Payroll Coordinator via e-mail at maustin@utah.gov. 2. Determine which groups of employees should have time entry capability in Employee Self Service and inform your Agency Payroll Coordinator and HRE Technician.
Agency HRE Technician	Verify/update the following data in the Department of Human Resource's HRE system for each employee in the designated group(s): ◆ Work Schedule is *199* ◆ Pay Status code is *1* ◆ Position code is not assigned to any other employee ◆ Position window contains the position ID of the employee's supervisor or time entry approver
Agency Payroll Coordinator	1. Request State Payroll to set up ESS time entry capabilities for designated group(s) of employees. Group employees by "Org key," which is Agency code, Organization code, and Distribution code. Agencies may use single Org keys or a range of Org keys. 2. Provide State Payroll with a list of agency staff that is to provide assistance to employees and supervisors with ESS/MSS issues. ◆ These requests and lists should be sent via e-mail to payroll@utah.gov.

State Finance Payroll Section

- Set up time entry for all employees in the Org key(s) requested by the agency. Also set up time approval for the supervisors of those employees.
- Notify Agency Payroll Coordinators when set-up is complete and when ESS/MSS time processing may begin.

Agency Payroll Coordinator

- Inform employees and supervisors when and how to use ESS and MSS.
- Ensure employees understand the established deadlines for entering time and supervisors understand established deadlines for approvals. (See example of employee notification below)

Employee

- Complete your entries of time worked or leave taken by the last workday of the pay period. If you fail to complete your entries before the ESS data entry period is closed, complete a paper document with your correct time entries, sign and date it, and give it to your supervisor. (The ESS time entry periods usually begin on the first Tuesday of the period and end on the first Monday of the next period.)
- Document any other pay such as mileage reimbursement and give to your supervisor for approval.

Supervisor

- Approve your employees' time entries within four calendar days of the last workday of the pay period. If you will not be available during those four days, you should ask your manager to approve your employees' time entries. You may also ask your alternate approver providing you have set one up in MSS.
- Use MSS to set up an alternate approver who should be notified if neither you nor your manager would be available to approve time entries.
- If you cannot approve an employee's time entries, ask the employee to correct the time entries before the ESS time entry period is closed (usually the close of business on the first Monday of the next period). If the entry period is already closed, have the employee sign a paper document showing the correct entries and add your signature to the document. Give the document to your agency time entry operator for data entry.
- Give any other pay documents to your agency time entry operator.

Agency Payroll Coordinator

- Run the Time Entry Alerts Report to identify employees who have not entered time or whose time has not been approved. Remind the employees and supervisors listed on the report that time must be entered and approved before employees can be paid.
- Approve employee's time if there are no supervisors, managers, or alternates available.
- If the next ESS time entry period is already open and the employee has not entered time correctly for the prior period, have the employee prepare and sign a paper document showing the correct entries, and have the supervisor add his or her approval signature. Give the document to a time entry operator to enter into payroll using the Cross Application Time Sheet (CATS) screen.

Agency Time Entry Operator	Enter other pay entries and missing or correction time entries in CATS during the normal time entry week.
State Finance Payroll Section	Notify the receiving organization when an employee using ESS for time entry transfers mid-period to an organization that is not using ESS.

Introduction to Employee Self Service

As an employee of the State of Utah you may use the Internet to perform some Employee Self Service (ESS) functions. For example, you can view your leave balances or check stub and change your direct deposit amounts or W-4 income tax withholding data. Over time, additional functionality will be added.

If you have been designated to use ESS for time entry, your time must be entered by the last day of the pay period or your paycheck may be delayed.

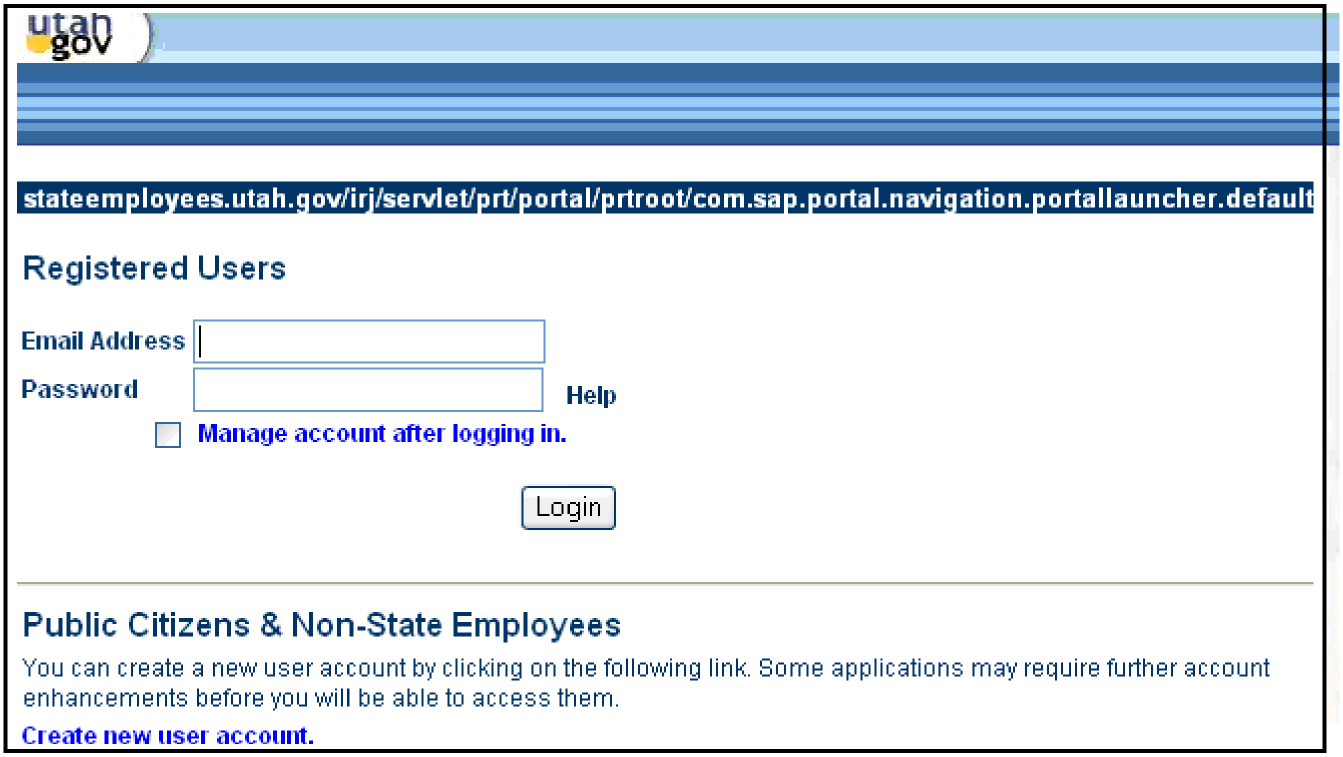
Prerequisites

To use ESS you must have a State of Utah e-mail address and a LAN password. You must use Internet Explorer. (Other Internet browsers will not work.) Your Internet Explorer settings must be set to allow "Cookies" (You cannot log in if your browser settings do not allow cookies.) We suggest you have the resolution set to 1024 x 768 on your personal computer and the text size on your browser set to medium. (Settings other than those suggested may cause your screen viewing to be impaired to the point that ESS will not function well for you.)

To assist you, there are overview pages, tutorials, and answers to frequently asked questions (FAQs). You access these after you log in to ESS. Please use them. There is also a list of contacts you can call or e-mail for help. Before contacting them, however, first read the information provided to find answers to your questions.

Because this is a secure site, the Internet address for ESS must be typed exactly as shown: https://stateemployees.utah.gov

The first screen you encounter looks like this:



stateemployees.utah.gov/irj/servlet/prt/portal/prtroot/com.sap.portal.navigation.portallauncher.default

Registered Users

Public Citizens & Non-State Employees

You can create a new user account by clicking on the following link. Some applications may require further account enhancements before you will be able to access them.

Enter your State of Utah e-mail address and LAN password in the appropriate boxes. Press, the *Enter* key or click on *Log In*. The ESS Welcome screen will appear. If you have problems with this log-in screen, call the ITS help desk at 801-538-3440. If you want to change your password or establish a process to help you recover your password, click on the box in front of *Manage account after logging in* before you press *Enter* or click *Log In*.

Use of Pre-2006 Sick and Converted Sick Leave Balances

FIACCT: 11-21.00

Effective: 03-Apr-06
Revised: 31-Mar-06

Purpose

This policy describes procedures to allow employees to use their “Pre-2006” or “Program I” unused sick and/or converted sick leave balances as paid leave. These leave balances can be either used as paid leave during employment or used to acquire additional benefits during retirement. (See *Background* section below.) **This policy describes only how these balances may be used for paid absences.**

Background

In 2005, the Legislature passed House Bill 213 to change the benefits associated with unused sick and converted sick leave. In short, the bill specifies that, upon retirement, unused sick/converted sick leave accrued before 2006 can be used in exchange for health insurance on the basis of eight hours of leave for one month coverage (Program I). Unused sick/converted sick leave accrued after 2005 can be used to reimburse health care costs on a dollar for dollar basis (Program II). Since the value of the Program I leave balances is significantly different than the value of the Program II leave balances, it is important that the pre-2006 sick/converted sick leave balances are properly safeguarded and accounted for. For this reason, agencies and employees must strictly adhere to these policies and procedures.

Policy

A. At the end of the 2005 leave year, State Payroll will “bank” all employees’ unused sick and converted sick leave balances. These balances will be maintained in the Payroll System and may be viewed by employees on their pay statements, on the standard leave balances reports, and in the Employee Self Service System. They will be labeled: “Pre-2006 Sick Leave Balance” and “Pre-2006 Converted Sick Leave Balance.”

B. Employees may use the banked Program I (pre-2006) sick and converted sick leave after exhausting their accrued Program II leave. Program I leave usage must be authorized using the **Authorization to Make Pre-2006 Sick/Converted Sick Leave Available for Paid Absences** form. The form must be completed and signed by the employee before the banked leave will be made available for use as paid leave. Agencies must maintain the authorization form(s) as part of the employee's personnel file. The form is available at the end of this policy.

C. Employees cannot use the "Authorization" process to move their Program I leave hours to their Program II leave balances in excess of what they will actually use as paid leave. Starting 2011 this limitation no longer applies.

D. As of December 31, 2005, after the leave is banked, the “current” sick and converted sick balances will be zero. (“Current” refers to balances that are automatically available for use as paid leave.) Current sick/converted sick leave will continue to accrue as normal. However, if an employee has authorized use of their banked leave as paid leave, as outlined in section B (above), the current balances must be increased as described in the *Procedures* section of this policy.

Procedures

Responsibility	Action
Agency Management	◆ Have employees review and sign their leave balances report showing the sick and converted sick leave balances as of the 2005 leave yearend. This report will show their pre-2006 sick/converted sick leave balances. ◆ Ensure that employees are aware of the process for using the sick/converted sick leave that was accrued prior to 2006 as paid leave and that no such leave is used without the employee's authorization.
Employee	◆ Complete the **Authorization to Make Pre-2006 Sick/Converted Sick Leave Available for Paid Absences** form and give it to your Agency HR/Payroll Technician. Do not enter more hours on the form than will actually be used in the pay period(s).
Agency HR/Payroll Technician	◆ Per the employee's authorization form, perform a "quota correction" to reduce the pre-2006 sick or converted sick leave balance(s) and another quota correction to increase the employee's current sick leave or converted sick leave balance(s) by the same amount. Pre-2006 sick leave cannot be used to increase converted sick leave balances. ◆ Place the authorization form in the employee's personnel file and give a copy to the employee.

Authorization to Make Pre-2006 Sick/Converted Sick Leave Balances Available for Paid Absences

I _____________________________, choose to use some or all of my pre-2006 sick or converted sick leave balance(s) for paid absences as enumerated below:

Amount of pre-2006 Sick Leave to be made available for paid sick absences: ____________

Amount of pre-2006 Converted Sick Leave to be made available for paid absences: ____________

The availability of the above-designated leave is effective for the pay period beginning: ____________

I understand that any of the pre-2006 sick or converted sick leave balances made available for paid absences will be considered the first leave used in the current or any subsequent period where sick or converted sick is used for paid absences. Any leave thus used can never be added back to my pre-2006 sick or converted sick leave balance(s).

Signed: ______________________________________ Dated: _____________ EIN: ____________

HR/Payroll Technician: ____________________________________ Dated: _________________